

national debt is owed to the Social Security Trust Fund, and we need to pay it back.

We also think that it is important to dedicate 25 percent of any future surplus to save Social Security, to save Medicare, and the final 25 percent should be dedicated to reducing the taxes of the American people. That is a balanced plan; that is a plan that preserves the economic security of this country; it preserves the retirement security of all of us; it preserves our health care security. It is the right thing to do for America. It is not an irresponsible plan that would give away in a tax reduction plan all of a surplus that is not even here yet.

Now, there were some on the floor of this House that argued in favor of that tax cut and they said well, we cannot trust this Congress, because if they get a surplus, they are going to spend it. Well, that is pretty cynical, particularly when coming from folks that currently are in the majority. We have enough sense in this body, collectively, to save the surplus, to pay down the debt, to save Social Security, to save Medicare. We have that ability. We just need to sit down at the table together, work together in a bipartisan way and do the right thing.

The President is right to veto this \$792 billion tax cut. It is the wrong thing to do for America, and if we pay down the debt, we can actually do more for working families than anything in this \$792 billion tax cut. In fact, if we look at the tax cut closely, what we will find is that there is really no tax cut next year. The tax cut follows the anticipated surplus which, as I said, may never show up. But next year, under that tax plan, only six-tenths of 1 percent of the total tax cut would be realized, and most families would not even get anything. In fact, an average family making \$50,000 a year would not see any significant tax reduction until the tenth year when they would see \$300 in tax reductions.

Now, we can do more for working families in this country simply by paying down the national debt, because the economists tell us that paying down the national debt will reduce interest rates for all of us, and a mere 2 percent reduction in interest rates for a family that is paying off a \$50,000 home mortgage would save that family over \$800 in interest costs, almost three times what they would get out of this irresponsible tax cut in the tenth year of the plan.

So, Mr. Speaker, let us do the right thing. Let us lay it on the table. Let us be honest with the American people. They already understand that there is no surplus in Washington, and they understand that we need to pay down the national debt. That is the right thing to do.

I appreciate the gentleman from Texas (Mr. STENHOLM), and the leadership he has given, and the gentleman from Arkansas (Mr. BERRY), who has also worked very hard on this issue,

and I think if we persist in our efforts, ultimately, both sides of the aisle will see the wisdom of doing the right thing.

Mr. STENHOLM. Mr. Speaker, I thank my friend for making those comments. Let me fill in a couple of blanks, or supply a little bit more information on Social Security before I recognize the gentleman from Arkansas (Mr. BERRY).

When we are talking about Social Security, I think it is important that everybody understands why some of us are as concerned about the tax cut. For example, a lot of folks have really questioned me quite personally when I have said on this floor, as I am about to say now, this tax cut that is going to the President is the most fiscally irresponsible bill to come before this Congress in the 20 years that I have been here. And I say that for one reason and one reason only, and that is, when we look at the effect of the proposed tax cut, at least the one that was talked about, not the one that was conferenced, because it is interesting, when we sunset a tax bill in 8 years, that one is interesting. But the effect of a tax cut literally explodes by about \$4.5 trillion in the second 10 years.

Now, my colleague talked about the baby boom and the Social Security Trust Fund and it being exhausted, and the year is 2034. That is when the Social Security Trust Fund under current projections will be exhausted provided we do not do anything. Well, it is our hope and expectation that we will do something, and therefore, when we talk about this, there is no reason for anyone 65 years of age and older, in fact, 55 years of age and older to worry about that. That is a given.

But in 2014, that is only 14 years from now, that is when we will begin paying out more out of the Social Security Trust Fund than will be paid in. That is when the problem becomes a reality. It will take \$7.4 trillion of money from somewhere between 2014 and 2034 in order just to meet the current obligations of the Social Security Trust Fund. And the Blue Dogs have said, why do we want to do that? Why would the Congress, for any reason, want to increase the liabilities on the ability of the Federal Treasury to make the commitments that we promise everyone on Social Security, why would we want to reduce the amount of revenue available to pay off those commitments at exactly the same time that the baby boomers are going to be retiring at the top of their numbers.

I do not understand that. I have never understood why the leadership of the House this year did not choose to fix Social Security first, but they did not, we did not. And therefore, we find ourselves in a position of having a bill go down to the President which he will veto, which he should veto; it is in the best interests of our country that he veto it. Then, it will be in the best interests of our country that we now begin to look at putting together the

kind of a compromise piece of legislation that will fix Social Security, fix Medicare, deal with rural health problems, and I hope that my colleague, the gentleman from Arkansas (Mr. BERRY), since he has been the coordinator and the chairman in the Blue Dog effort dealing with health care might have a few comments about that, and I would recognize him at this time, the gentleman from Arkansas (Mr. BERRY), for any comments that he might like to add to this discussion.

□ 1830

Mr. BERRY. Mr. Speaker, I want to thank my distinguished colleague, the gentleman from Texas, for his great leadership on this matter. I do not know of any Member of this House that has worked harder or been more dedicated to the cause of seeing that this Nation is fiscally responsible than the gentleman from Texas (Mr. STENHOLM).

I also want to thank my other distinguished colleague, the gentleman from Texas (Mr. TURNER), for his efforts here this evening, and also all the time he has been in the House.

We are a great Nation. We have been unbelievably successful. The reason that we have been successful is because we have made good decisions over the years. We cannot be this successful without making good decisions. It is absolutely amazing to me that we are even having this discussion.

We all know, and as my colleague, the gentleman from Texas (Mr. TURNER) just talked about, as we were in the district over the August recess, we would go from one spot to the next and meet with people, and they are not up here dealing with this every day like we are, but they do not have to be. They know that this is a bad idea. They know that this tax cut, they know this surplus, is a fantasy. They know that the surplus does not exist. They know that if we do this tax cut, we are going to put ourselves in worse shape than we are already in.

They also understand very well what it takes for us to be successful. Certainly, the best thing that we could possibly do for our children and grandchildren, and those that come after us, would be to pay this debt off. Certainly we should not spend any surplus until it is there, and then we should pay the debt off and take care of social security and Medicare.

Mr. Speaker, my colleague, the gentleman from Texas, mentioned health care a few minutes ago. We have got a commitment to our senior citizens in this country that we made a long time ago, and it is the right thing to do, that we are going to provide them with health care in their senior years. That is a commitment that we cannot and should not walk away from. We should use the monies, while we have the opportunity, to take care of social security, to take care of Medicare, and be sure they are there for all of us for years to come. It is just unbelievable to me that we would talk about doing anything else.